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SUMMARY RECORD OF THE 31st MEETING

Chairman: Mr. MONGBE (Benin)

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The meeting was called to order at 10.15 a.m.

AGENDA ITEM 91: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued)

(a) TRADE AND DEVELOPMENT (A/48/15 (Supplement No. 15) (vols. I and II), A/48/139, A/48/163, A/48/164, A/48/363, A/48/487, A/48/533, A/48/535 and A/48/272-S/26108)

(d) ECONOMIC AND TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES (A/48/495; A/C.2/48/5)

(h) SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (A/48/465 and A/48/564)

(i) ENTREPRENEURSHIP (A/48/472)

General debate (continued)

1. Ms. WANG Limin (China), speaking on item 91 (a) concerning trade and development, said that the ending of the bipolarization of world politics had not helped the economic recovery of the developing countries; on the contrary, the gap between North and South continued to widen. It was primarily for the developing countries themselves to take action to combat poverty and secure faster economic growth, but the developed countries must help them to overcome their difficulties.

2. In order to promote the growth of the world economy the international community must implement the Cartagena Commitment adopted in 1992 at the eighth session of the United Nations Conference on Trade and Development. All countries must work together, in accordance with the principles of equality and mutual benefit, to overcome the economic and social difficulties of the contemporary world. But, despite the ending of the cold war, a few developed countries continued to impose economic sanctions against developing countries, interfering in their internal affairs in violation of the basic rules of international relations and of the Charter of the United Nations.

3. The international community should continue to open up the international trade system. The agreement on tariff reductions reached recently at the G-7 summit in Tokyo was a move in the right direction which would facilitate the early conclusion of the Uruguay Round; the Chinese delegation also welcomed the San Diego Declaration adopted by the Rio Group at its seventh meeting.

4. Only a comprehensive, balanced and reasonable outcome to the Uruguay Round could help to improve the international trade system. In order to achieve such an agreement, the developed countries would have to make considerable changes in their procedures, especially with regard to import criteria. China was busily engaged in negotiations on services with the States parties to the General Agreement on Tariffs and Trade (GATT) and had provided the negotiating group on market access with a list of products for which it was ready to reduce tariffs and thus contribute to the advancement of the Uruguay Round.

5. The international community, especially the developed countries, should give assistance to the land-locked developing countries. China understood the

(Ms. Wang Limin, China)

special difficulties of such countries and was cooperating with them in the area of transit transport; it hoped that the international financial agencies and donors would continue to assist the land-locked countries to improve transit services.

6. It was important for the work on an international code of conduct on the transfer of technology to be completed at an early date, for a code ensuring a balance between rights and obligations would be an extremely useful means of increasing the transfer of technology to the developing countries.

7. Ms. YANG Yanyi (China), speaking on items 91 (h) and (i), said that the ongoing scientific and technological revolution was affecting all countries and all areas of social and economic life. It was now evident that economic recovery depended on scientific and technological progress, but there was still a very big gap between the scientific and technological capacities of the developing and the developed countries. The main technologies were still controlled by the developed countries, and most of the developing countries were still using low-yield production techniques which consumed too many resources.

8. The United Nations had done some useful work in promoting science and technology for development, but it must continue its efforts because it had not yet given sufficient attention to strengthening international cooperation in the matter or to the Vienna Programme of Action, most of which had still not been implemented.

9. The question of science and technology for development should occupy a prominent place on the multilateral economic agenda. The United Nations must also encourage the developed countries to provide technology to the developing countries on favourable terms. The Intergovernmental Committee on Science and Technology for Development should put forward concrete proposals, and the recommendation to equip it with an inter-sessional machinery should be taken up. Furthermore, the Intergovernmental Committee and the Commission on Sustainable Development should support each other in carrying out their respective functions.

10. Efforts should be made to strengthen the evaluation, monitoring and projection functions of the United Nations bodies responsible for science and technology for development. The developed countries in particular should increase their contributions to the United Nations Fund for Science and Technology for Development in order to enable it to play its role effectively. Cooperation between developing countries also should be intensified, with the support of the international community.

11. Turning to agenda item 91 (i), she noted that chapter VII of the World Economic Survey 1993 was devoted to economic reform and the development of the non-State sector in her country. It was evident that private enterprises were growing rapidly as a result of liberalization measures. In order to make State enterprises responsible for their own decisions and strengthen their competitiveness, her country had begun vigorously to reform them and to accelerate the restructuring of its economy. Market mechanisms already played an active role; economic activity was to a considerable extent regulated by the market.

(Ms. Yang Yanyi, China)

12. The key to promoting entrepreneurship and creativity in various economic sectors lay in the formulation of policies that were in keeping with the realities of the country concerned. In her country, the situation was characterized by an imbalance in the forces of production operating at several levels, which made it necessary to introduce a system of diversified ownership associating State-owned enterprises with enterprises owned collectively, individually and privately; all those entities should encourage entrepreneurship. Chapter VII of the Survey indicated that private ownership was not a necessary condition for the development of entrepreneurship and that the development of entrepreneurial activities thus was not necessarily dependent on the privatization of ownership. In some countries, State-owned enterprises, which had played an important role in economic development, continued to play a leading role, which explained the necessity of modernizing and revitalizing such enterprises through far-reaching reforms. In the light of that information, it was to be hoped that the United Nations would pay equal attention to the role played by enterprises in both the State sector and the private sector and that the draft resolutions to be adopted at the current session would provide useful guidelines in that regard.

13. Mr. MOTSWAGAE (Botswana), speaking on behalf of the 10 member States of the Southern African Development Community (SADC), said that the Community devised focused strategies and programmes and carried out practical regional projects; it organized joint consultations with its partners on regional programmes and policy issues, to which it adopted an open approach.

14. Preliminary estimates indicated that the number of projects implemented under the Community Programme of Action would decrease in 1993, although their value had increased. Eighty-eight per cent of those projects were financed by foreign sources.

15. Given the world recession, the international community had responded positively to the appeal by the General Assembly in its resolution 46/160 for increased financial, technical and material support for the region. Although at its first Annual Consultative Conference the cooperating partners had reaffirmed their support for SADC, it was evident, however, that the transitional process of the former centrally planned economies threatened the priority that had been accorded to the Community.

16. A joint SADC/United Nations appeal for emergency food aid and non-food aid had been presented to the United Nations/SADC Interregional Pledging Conference for Drought Affected Countries in Southern Africa held at Geneva in June 1992. Although the appeal had resulted in pledges of $700 billion, a number of countries had not yet paid the contributions which they had pledged; it was to be hoped that they would honour their commitments and help counter the effects of the drought.

17. Although political developments in South Africa and Mozambique were encouraging, in Angola the refusal of the União Nacional para a Independencia de Angola (UNITA) to accept the results of the 1992 elections was hampering the process of regional integration. The gravity of the situation required that the international community and the countries of the region work closely in search of a peaceful solution.

18. Mr. HORIGUCHI (Japan) said that his country, which attached great importance to science and technology for development, had always endeavoured to strengthen international support in that area in accordance with the 1979 Vienna Programme of Action on Science and Technology for Development.

19. If, as the Secretary-General indicated in his report (A/48/465), capacity-building in that field was a significant objective of economic growth policies worldwide, the objective was even more urgent for developing countries. The international community must properly plan and coordinate the assistance it provided in that regard. It must be acknowledged, as his Government had experienced itself, that coordination by United Nations bodies in that area was poor at times; real progress in that field required the continued restructuring of the Secretariat and the intergovernmental bodies of the system.

20. Pursuant to General Assembly resolution 46/235 on the restructuring and revitalization of the United Nations in the economic, social and related fields, the Intergovernmental Committee on Science and Technology for Development and the Advisory Committee on Science and Technology for Development had become the Commission on Science on Technology for Development, a functional commission of the Economic and Social Council, a measure which his delegation welcomed with satisfaction. However, the first session of the Commission had been rather disappointing; in that regard, it was to be hoped that all Member States participating in its work would reaffirm their commitment to achieving the goals of the ongoing reform. Furthermore, the modalities for coordination within the Commission and with other bodies should be discussed at greater length, in particular, during the discussion of coordination questions at the substantive session of the Economic and Social Council.

21. On the question of entrepreneurship, the report of the Secretariat on the subject (A/48/472) rightly emphasized the need to promote market-oriented activities; however, his delegation would appreciate more precise information on the approach taken by the United Nations with regard to assistance to countries in transition, since the priorities and objectives of its activities in that field were not clearly defined in the report. The distribution of labour among the various bodies providing technical assistance in that area and the manner in which their activities were coordinated were not clearly described either. Lastly, it was important to identify, from a holistic perspective, those fields in which the United Nations had a comparative advantage in providing technical cooperation to enhance economic activity.

22. Mr. CENCEN (Slovenia) said that at a time of significant changes in the world, not least of which was the transformation of the former centrally planned economies into market-driven democracies, the institutions of the United Nations should adapt to the new realities of the global economy.

23. The various operations of the United Nations development system were excessively fragmented; the system should increase its cooperation with the Bretton Woods institutions and coordinate its activities with them.

24. Although it was true that tariff barriers to international trade were gradually disappearing, which, however, strengthened the intraregional character of trade, liberalization was hindered by non-tariff barriers; while capital moved freely, the movement of industrial goods was increasingly being regulated.

(Mr. Cencen, Slovenia)

25. For many countries, including Slovenia, it was of great importance that the existing trade associations should not close the door to the new democracies at the very start. The United Nations should contribute to the liberalization of trade; moreover, access to world markets on an equal footing would in the long term contribute to greater stability of the world economic system, and would decrease the danger of social turbulence. At the same time, the international community should allow for pluralism of approaches towards economic reform, taking fully into account the specific situations in each country. Precisely because of the vital importance to its development of opening up world markets, Slovenia was currently in the process of concluding free trade agreements with some countries as a step towards its incorporation into trade associations. His country supported the efforts of those countries which were endeavouring to speed up the liberalization of trade within the context of the Uruguay Round of multilateral trade negotiations, the failure of which would lead to increased protectionism.

26. In that context, the Trade and Development Board of UNCTAD had rightly stated that the conclusion of the Uruguay Round was the only way to strengthen the international trading system and to give confidence to developing countries and economies in transition that would encourage their economic and trade liberalization reforms. The Republic of Slovenia appreciated the opportunity to participate in the conclusion of the Uruguay Round as a State in the process of obtaining the status of contracting party to GATT, and thus to contribute to the remodelling of international economic relations.

27. His delegation agreed that UNCTAD should play an important role in the implementation of Agenda 21, taking into account the importance of the interrelationships between development, trade and environment.

28. As the Trade and Development Board had pointed out in its conclusions 407 (XL), on sustainable development, development aid, especially technical assistance, was vital for the generation of adequate capacity to deal with the growing range of problems in the trade and environment field.

29. The globalization of technology had brought about radical changes in the rules of international competition and comparative advantage, resulting in changes regarding the relative competitiveness of national economies. In that context, information systems played a major role; countries with advanced information technologies were in the best position to become integrated into the gravitation centres of the world market, and that increased their comparative advantage. It was therefore essential that the countries in transition and the developing countries should be integrated into the information systems of the developed countries.

30. Mr. AL-MISNAD (Qatar) stressed that trade and development were two inseparable aspects of human activity that were crucial to the stability of the world economy. In the modern world, all countries - small or large, developed or developing - were becoming increasingly interdependent, and hence could no longer be self-sufficient.

31. He noted with concern that although economic integration was the trend at the global level, the serious financial problems experienced by the developing

(Mr. Al-Misnad, Qatar)

countries during the 1980s had yet to be resolved, and development plans had yet to produce the expected results. The developing countries were still suffering from poverty, and their growth was still hindered by unfavourable terms of trade, a heavy foreign debt and serious environmental problems, despite the fact that many of them were currently undertaking structural adjustments designed to revitalize their economies, diversify their production and their exports, and open up access to foreign markets for their products. In that regard, his delegation held the view that a non-discriminatory and non-protectionist free trade policy would provide the most effective means of accelerating economic development in the developing countries and bridging the gap which separated them from the developed world. That being the case, those countries should continue to encourage the entrepreneurial spirit, offer incentives for investment and promote exports.

32. The liberalization of trade could be much more effective than financial aid in ensuring economic prosperity in the developing countries and guaranteeing their sustained growth. Indeed, it was their export earnings that would enable those countries to obtain the resources they needed for development; they would be able to borrow capital and service their debt to the extent that they were able to dispose of their products on the foreign market.

33. In that regard, he recalled that at its thirty-ninth session, the Trade and Development Board had inter alia discussed developments in the Uruguay Round, human resource development for trade and the Programme of Action for the Least Developed Countries for the 1990s. It had also recognized that trade liberalization was an important tool for increasing economic efficiency and improving resource allocation and growth in all countries, urged the international community to support the efforts being made in that regard by the developing countries, and decided to transmit a message to the Governments participating in the Uruguay Round negotiations recalling that there should be an early, balanced and successful conclusion to the Uruguay Round as a prerequisite to a return to the path of growth, trade expansion and an improved world economic climate.

34. Finally, his delegation invited Member States to work for the liberalization of trade and of the exchange of goods and technologies. By strengthening interdependence and creating a community of interests, such liberalization would not only promote economic development but would also help consolidate peace and strengthen the bonds of friendship among States.

35. Mr. HURST (Antigua and Barbuda), speaking on behalf of the member States of the Caribbean Community (CARICOM), said that those countries had long recognized the important role which science and technology played in national capacity-building and the achievement of long-term development objectives. It was through capacity-building that they would narrow the gap in science and technology capabilities of their primarily agricultural countries. During the colonial period, the Caribbean countries had exported sugar, cotton, tobacco, rice, fruits and vegetables; those traditional exports were still important. Currently, the economies of the sovereign countries of the region were a little more diversified. If they were to compete successfully, they must integrate new technologies into the products and services which they marketed at home and abroad. The acquisition of new knowledge and the introduction of new tools must

(Mr. Hurst, Antigua and Barbuda)

therefore be made part of their development objectives. The University of the West Indies was training scientists and engineers, but the scientific and technological capacity of the Caribbean countries remained far behind the levels found in developed countries.

36. Frequently, however, technologies which were appropriate in large countries and large industries were found to be out of place in micro-States. That was the case, for example, with the mechanization of sugar cane harvesting, which was very difficult in the small sugar cane growing countries, such as St. Kitts and Nevis, which must rely on labour-intensive methods. That finding would seem to suggest the need for small-scale production adapted to the circumstances of the small island countries. The development of such technology, however, would require well-trained researchers, adequately equipped laboratories and workshops, financial resources and access to information technology. The small-scale technologies that had been developed in the Caribbean often had wide applicability in other developing countries, but lack of financing had prevented them from being widely utilized. Banana production faced similar problems. Latin American producers were threatening to eliminate completely the 2 per cent world market share of bananas exported to Europe by Dominica, St. Lucia, St. Vincent and the Grenadines and Grenada. Could technologies be found which would make banana production in the islands more competitive? Whatever the innovations, they must be environmentally friendly, given the importance of preserving the soils, the groundwater and the health of farmers. The Global Conference on the Sustainable Development of Small Island Developing States, to be held in Barbados, would discuss the question of technology transfer to small island States. A programme of action would be adopted which would assign science and technology their proper place in the priority of policy alternatives for the sustainable development of small island States. An exhibition of environment-friendly technologies drawn with some degree of balance from both developed and developing countries would be organized at the Conference.

37. The member countries of CARICOM recognized the need for intraregional cooperation in the areas of technology transfer, research and development and training of scientists and experts. They believed it was imperative to link science and technology policies to national strategies for protection of the environment and to sustainable development and sectoral development plans. That linkage was indispensable if science was to be used in the prudent management of the environment and development. Scientific knowledge could promote the goals of sustainable development at the country level and facilitate the decision-making process. If catastrophe was to be avoided, science and technology must be an integral part of sustainable development. The international community must support the efforts of the member countries of CARICOM in that area. The CARICOM countries noted with interest the decisions of the Commission on Science and Technology for Development and the Commission on Sustainable Development.

38. It was essential to give effect to the provisions of Agenda 21 regarding the transfer of environmentally sound technologies, cooperation and capacity-building. The developed countries must therefore promote, facilitate and finance access to environmentally sound technologies and corresponding know-how, and the transfer thereof to developing countries on favourable terms and help those countries develop their endogenous capacities, for research and development and advanced training were often beyond their means. The

(Mr. Hurst, Antigua and Barbuda)

international financial institutions must also support the transfer of technology, given their involvement in the developing countries' efforts at structural adjustment and sustainable economic development. The member countries of CARICOM had pledged to work with the ad hoc working group of experts of the Commission on Sustainable Development, which had been charged with the task of suggesting measures to facilitate technology transfer, and they supported the pilot projects on interregional technical cooperation on endogenous capacity in science and technology for development, as set out in the report of the Secretary-General (A/48/465).

39. Science was obviously a significant factor in the economic and social development of all nations, especially in the wealth creation process. Although it did not determine fairness in the distribution of income among or within States, it was the linchpin in the fields of environment and development. If the income gap was to be reduced, poor States must quickly apply the lessons learned and wealthy States must share knowledge and resources with them.

40. Mr. CUBILLOS (Chile), speaking on behalf of the member countries of the Rio Group, said that the Group had always maintained that liberalizing trade was the most effective and fairest form of cooperation for development.

41. The policies restricting market access of the developing countries' products resulted in loss of earnings that were 10 times higher than the international aid those countries received.

42. If the industrialized countries adapted their trade practices to their political discourse, the developing countries, even without any international aid, would not only have considerably more resources at their disposal, but would have a strong incentive to make the most of their potential. Since the expansion of international trade was the best means of fostering economic growth, well-being and, especially, the continued improvement of market quality, it was most distressing that the industrialized countries, hit by a persistent slowing in their growth rates, were using trade practices as weapons to support production sectors that everyone knew were not profitable.

43. In order for the world economy to recover, therefore, the Uruguay Round of multilateral trade negotiations must be successful. In the framework of those negotiations, over 60 developing countries, including all of the Latin American countries, had unilaterally decided to liberalize access to their markets. The sacrifices they had made would be pointless unless those countries were able to take advantage of the outlets provided by the multilateral trade system through the expansion of exports as well as imports.

44. Those countries had accepted the Draft Final Act of the Uruguay Round of negotiations, despite its deficiencies, thus demonstrating their desire to cooperate in that area. However, the major trading Powers had focused all their energy on diluting the contents of the draft agreement. Faced with such an atmosphere of mistrust, the countries of the Rio Group had further resolved to integrate, but without closing themselves off from the outside world. They were convinced, in particular, that the entry into force of the North American Free Trade Agreement among Mexico, Canada and the United States of America was crucial to the development of the entire continent.

(Mr. Cubillos, Chile)

45. If the GATT negotiations failed, the responsibility would lie with those who were trying to exclude agricultural products, textiles and tropical products from the negotiations and who rejected the establishment of an institutional mechanism to guarantee the enforcement of multilateral trade rules.

46. Mr. REVANALES (Venezuela) stressed the importance Venezuela attached to the developing countries' various mechanisms for regional integration, which were essential in terms of structural adjustment and stabilization of the economy. The Latin American countries in particular were, through various regional agreements, bringing every effort to bear to increase productivity and competitiveness in the private sector. In order for those efforts to succeed, however, the international economic situation must be favourable. Yet one year after the Cartagena Commitment, problems remained. The developing countries had done everything they could to ensure the success of the Uruguay Round, since they were convinced of the need to establish fair trade mechanisms and to eliminate the tariff barriers imposed by the developed countries.

47. Both Agenda 21 and the Rio Declaration on Environment and Development stressed the interconnection between the environment, trade and development, which UNCTAD should develop further. It was also essential for UNCTAD to coordinate its work with that of the Commission on Sustainable Development in order to make clear the fact that restrictive trade practices on the pretext of ecological factors were unacceptable in the framework of a world agreement on sustainable development.

48. At its forty-sixth session, the General Assembly had recognized the vital importance of science and technology for progress and development. His delegation fully endorsed the views expressed in the Secretary-General's report on that question (A/48/465), to the effect that, as the Assembly had requested, a consultative meeting should be convened, to be attended by representatives from the multilateral financial institutions, UNDP, the World Bank and the regional development banks in order to mobilize resources for financing science and technology activities. Sustainable development would be achieved only by strengthening the process of establishing endogenous scientific and technological capacities and the transfer of technology, particularly environmentally sound technologies.

49. The opening up of international markets had given rise to regional groups designed to improve competitiveness. Venezuela attached great importance to regional integration in Latin America and in 1990 had launched the Bolivar Programme, which promoted cooperation between businesses, research centres and public and private organizations with a view to obtaining products and services for which openings could be found on new markets. His country also supported the initiatives of other countries in the region, such as the common market for knowledge, launched by Uruguay, the PARADIGMA programme, initiated by Brazil, and the Technological Information Pilot System. Lastly, he welcomed the agreements concluded with Spain and Portugal, which gave tangible form to Ibero-American cooperation.

50. Mr. AZAIEZ (Tunisia) said that in recent years his country had embarked on an ambitious programme of reform directed at the business sector and designed to revitalize production and encourage exports and trade. That new orientation

(Mr. Azaiez, Tunisia)

called for the involvement of the private sector, and Tunisia had decided on a policy of economic liberalism, a prerequisite for successful development and a basic condition for operating on the international economic scene. In order to give concrete form to its choice, his country was promoting private initiative in all production sectors, by enacting legislation designed to strengthen the various economic structures and through tax reform, consolidation of the monetary and financial structures and privatization of public enterprises. It had based its economic policy on profitability and market economy strategies and had instituted bold reforms to facilitate redistribution between the public and private sectors. At the same time, the State remained the guarantor of the strategic sectors, whether economic or social. In addition to structural reforms aimed at modernizing the production sectors, Tunisia had modified its tax structure to encourage investment: it had published sectoral codes and would, in the near future, be issuing a standard investment code. It had also set up investment companies and established a legal framework for free zones. In that same spirit, his country was encouraging partnerships with friendly countries. The current convertibility of the dinar should enable Tunisian enterprises to do business with their foreign partners and strengthen their presence in foreign distribution networks. Along with economic reforms, efforts were being made to revitalize and strengthen the administrative structure by simplifying formalities, thereby making the investor's task easier. The standard investment code would be an effective tool for promoting technology and would help combat pollution and protect the environment.

51. His country was convinced of the importance of the human dimension in promoting business and, accordingly, was granting special priority to vocational training. That was particularly important in an environment of domestic and foreign competition in which a business could succeed only by having a good manager-worker ratio, gaining access to know-how and giving sufficient priority to scientific research. The promotion of business, which had its own important contribution to make in the sectors of investment, production, exportation and employment and in the building of a balanced civilian society for all Tunisians, was vital for the establishment of a political and social climate that would provide peace of mind for both workers and employers and give them confidence in the future.

52. Mr. OLISEMEKA (Nigeria) said that trade liberalization would increase economic efficiency and improve resource allocation and growth in all countries. For the developing countries, however, such liberalization had to be carried out gradually and the international community needed to support the efforts of those countries by increased flows of financial resources, debt-relief measures and better access to markets. Without that support, economic reform in most of those countries, in particular those in sub-Saharan Africa, would not yield the desired results.

53. An early and balanced conclusion to the Uruguay Round was not only essential to the process of expanding the trading system but was also a prerequisite for a return to growth, trade expansion and an improved world economic climate. It was estimated that the gain would be approximately $200 billion. That was the only way to strengthen the international trading system and to give developing countries and countries in transition the confidence to make reforms. The Final Act of the Uruguay Round should be

(Mr. Olisemeka, Nigeria)

balanced and must take into account the main interests of the developing countries and their financial and trade needs. It should be supplemented by a package of measures providing access to the markets for goods and services in developed countries.

54. Free trade was preferable to protectionism for all countries; however, developed trade partners had to understand that developing countries could not make commitments incompatible with their level of development. Like many other developing countries, Nigeria had liberalized trade within the framework of its structural adjustment programme, in the hope of improving its access to the markets of the developed countries. Unfortunately, some of those countries had failed to respond positively to those overtures, introducing new concepts and imposing new conditions that were contrary to the spirit of free trade.

55. The situation in sub-Saharan Africa remained critical. Poverty, malnutrition and disease were more widespread there than in any other region of the world. The African countries were carrying out economic reforms; yet they had had numerous setbacks as a result of inadequate foreign aid, in particular from multilateral financial institutions. Hardships accompanying those reforms had in some cases given rise to political and social tensions. In order to solve those problems, UNCTAD should strengthen its research and technical assistance so it could better advise Governments on the most realistic policy options. UNCTAD had long been involved in the area of commodities. It was participating in the negotiations on cocoa between consumers and producers. A major consumer had withdrawn from the international coffee arrangement. Negotiations on natural rubber should be completed as rapidly as possible. More generally, it was important to promote diversification of the production and trade sectors in Africa. UNCTAD was contributing to the implementation of the New Agenda for the Development of Africa in the 1990s. It was providing technical assistance to the African countries and, in that connection, his country considered that the financing of such assistance should be regular and guaranteed and hoped that substantially increased resources would be made available to UNCTAD so that it could provide technical assistance to the African countries, in particular in the areas of services, manpower training and shipping.

56. Since its eighth Conference, UNCTAD had adopted new working methods and the orientation of its work had changed considerably with the establishment of new standing committees and ad hoc working groups. Furthermore, the Trade and Development Board and its subsidiary bodies were making greater use of agreed conclusions, assessments and summing-up statements by presiding officers, creating problems for both the Secretariat and delegations which had difficulty in following up the results of the Conference's work.

57. International cooperation should be strengthened to ensure that the approaches to trade, environment and sustainable development enhanced each other. Environmental protection measures should not be used as a pretext for introducing new conditions for assistance or establishing arbitrary or discriminatory measures against third world exports. Instead, environmental issues should be addressed by implementing the appropriate macroeconomic policies and strategies. Trade liberalization was a fundamental condition for the achievement of sustainable development. UNCTAD should therefore continue

(Mr. Olisemeka, Nigeria)

its work in the areas linking trade and development. Its activities in that area should be reported regularly to the Commission on Sustainable Development and, through it, to the Economic and Social Council.

58. Mr. BAHADIAN (Brazil), confining his statement to two agenda items, entrepreneurship and science and technology for development, said that the item on entrepreneurship had been introduced in the agenda of the General Assembly at its forty-first session with a view to encouraging private and public entrepreneurs and facilitating the practical exchange of information and experience among all countries on the role of indigenous entrepreneurs in economic development. The General Assembly had given new impetus to the issue at its forty-fifth session by acknowledging the need to address it in a more effective and practical way, in the light of new developments in the world situation. With the end of the cold war the market economy had become increasingly prevalent, necessitating efforts to improve and strengthen the role of entrepreneurs on the international stage. Countless new possibilities had been created for private sector initiatives with a corresponding increase in responsibilities. The formula had seemed straightforward: new opportunities to expand international cooperation in the exchange of know-how with the private sector would improve the efficiency of economic activities in developing countries. By raising productivity, domestic structural adjustment measures and efforts to achieve sustainable growth would be facilitated, broadening the dimension of world-wide economic activity, in terms of investment, services and trade.

59. Currently, when the market was of increasing relevance for the expansion of the world economy and, in particular, for economic development by enlarging the non-State sector, the question of entrepreneurship should be placed high on the agenda of the Second Committee, since the need to open new horizons for the economic sector of the United Nations, thus giving it a new and more operational dimension focused on the productivity of the world economy, was more urgent than ever before. The Secretary-General's report on the item (A/48/472) identified clearly areas where entrepreneurship could be encouraged, but lacked any substantive consideration of the possibilities for action by the United Nations itself. In particular, while it was the entrepreneur himself who was best placed to ensure the efficient management of his own enterprise, the report confined itself to diagnosing, often in a purely conceptual manner, the current situation in non-developed countries and to advising Governments how to promote entrepreneurship. The General Assembly had recommended that the report should contain recommendations for action by the United Nations system in support of entrepreneurship - a particularly timely action-oriented initiative - so it was all the more regrettable that such recommendations were lacking. The United Nations could, however, play a leading role in that area, since there were wide possibilities for supporting entrepreneurial activities and numerous areas where action-oriented measures could be taken for the large-scale development of entrepreneurship in the world economy. The Secretariat could organize workshops, seminars and round tables on ways and means of bringing together small- and medium-sized enterprises with a view to facilitating the formation of joint ventures and establishing mutually acceptable commercial terms for technology transfer and market access. That idea was one which, he hoped, could be examined by the Committee in its discussions on a possible resolution on the item.

(Mr. Bahadian, Brazil)

60. Since technology appeared to be largely restricted to the private sector, certain delegations maintained that it did not lend itself to the kind of intergovernmental consideration which would promote international cooperation. That line of reasoning, however, ignored the need to examine the preconditions for scientific development in developing countries and institutional and human capacity-building in the scientific and technological sector. Yet those were essential requirements not only for endogenous technological development, but also for the assimilation of technologies transferred through investment. The United Nations should give serious attention to the question of science and technology for development since it was an essential tool in the social and economic advancement of peoples. Brazil had two specific recommendations: first, to endorse the decision of the Commission on Science and Technology for Development at its first session, that the Economic and Social Council should take up, at its 1994 substantive session, the question of the coordination of United Nations activities in the field of science and technology; and second, to make the question of science and technology, which was fundamental to the development debate, a central element in the Secretary-General's report on the agenda for development, to be presented to the General Assembly at its forty-ninth session.

61. Mr. STADTHAGEN (Nicaragua), speaking on behalf of the Central American States, said that, if efforts to achieve sustainable economic growth were to bear fruit, all protectionist practices of the past must be abandoned. For that reason, the Presidents of the Central American countries, at their recent summit meeting in Guatemala, had stressed the need to revive the concept of international solidarity so that assistance could be replaced by capacity-building in the area of production, international markets opened up to exports from developing countries and new modalities identified for cooperation which would facilitate the transfer of resources and technology and promote human resources development. In their view, ratification of the North American Free Trade Agreement was essential and they declared their readiness to become part of that regional system.

62. In their conviction that the development of international trade would benefit both the North and the South, the Central American countries stressed the need for a swift conclusion to the Uruguay Round, taking into account the interests of the developing countries. While those countries were making sacrifices to liberalize their trade regime and to become integrated in the world economy, the developed countries were increasingly resorting to unilateral protectionist measures and blocking access to international markets. It was essential to put a stop to such practices. As established in the Punta del Este Ministerial Declaration, the Uruguay negotiations should take into account the situations of the developing countries. Immediate steps should be taken to correct distortions in trade in agricultural and tropical products and in textiles. At the same time, the developed countries should be prepared to liberalize trade in services, a sector in which they had a strong comparative advantage. In order to expand their tertiary sector, the developing countries must be able to count on technical assistance from the developed countries as well as from international agencies, including those of the United Nations system. While it was important to underline the interdependence between environment, trade and development, that should not serve as a pretext for protectionist or discriminatory measures in international trade.

(Mr. Stadthagen, Nicaragua)

63. The Central American countries, like many developing countries, remained dependent on the export of their commodities. The drop in prices for those products and the chaos in international markets had undermined efforts to promote economic development and social welfare, as well as the external debt repayment capacity of those countries. It was therefore vital to revitalize the work of UNCTAD in that area and to give new impetus to the Common Fund for Commodities and the Integrated Programme for Commodities. At the same time, the generalized system of preferences must be strengthened and its scope widened. Lastly, a multilateral trade organization should be set in place which would guarantee respect for the provisions adopted upon the conclusion of the Uruguay Round and dissuade States from adopting unilateral measures likely to disrupt the balance between the rights and duties of the contracting parties.

64. Wealth should not be the prerogative of a small clique of major trade Powers. The international community should endeavour to establish a more equitable international trade system, which would promote trade flows, investment and the transfer of technology. The countries of Central America urgently appealed for the liberalization and sustained expansion of world trade, which was the only means of overcoming hunger and malnutrition, extreme poverty, illiteracy, drug trafficking and unemployment. They recalled that economic prosperity should not depend on a welfare State, which, strongly bolstered by protectionist measures, maintained economic growth in an artificial and perilous manner.

65. Mr. HORIN (Ukraine) said that to function effectively, it had become necessary for a country's economy to be fully integrated into the world market and to benefit from the international division of labour. There was a growing awareness of the urgent need to integrate the countries in transition into the international economy. To that end, it was necessary to create conditions that would give those countries' exports access to the world market. Progress in that area could be made both through bilateral relations and through common efforts within the context of international mechanisms like the United Nations system. In that connection, he hoped that the Uruguay Round could be concluded soon.

66. UNCTAD could play an important role by helping the countries in transition to participate in the world economy. It would be useful for UNCTAD to study the reforms instituted in various countries, especially with respect to financial systems, privatization and the restructuring of external trade. Such studies would be of great interest to Ukraine, which was in the midst of a difficult phase of economic restructuring and was developing a new external trade model based on the rejection of government monopoly. The break-up of the State monopoly and privatization of State external trade bodies had become an integral part of the Ukrainian economy. There was also a question of establishing a free-trade zone in his country. In addition, UNCTAD should lend assistance to restructuring in connection with disarmament and the reconversion of the arms industry. Ukraine approved of the establishment of an UNCTAD ad hoc working group to study that question. The various regional integration processes reflected the desire of States to enjoy the advantages of the reciprocal opening of markets. However, such processes should be based on equal rights; coercive economic measures should be instituted solely for political ends. His

(Mr. Horin, Ukraine)

delegation fully endorsed the position expressed in the Secretary-General's note on that subject (A/48/535) to the effect that developed countries should not use their dominant position in the international economy to exert political or economic pressure through economic measures in order to force other countries to change their political or social policies.

67. Sterile trade wars and politically motivated discriminatory practices should be abandoned. Mutual benefit and partnership, mutual respect and strict enforcement of agreements should constitute the inviolable standards of conduct in international economic relations. It was precisely on the basis of such principles that Ukraine wished to develop its economic and commercial relations, in particular, with the other members of the Commonwealth of Independent States.

68. Ukraine supported the work of the Commission on Science and Technology for Development. At its first session, the Commission had called attention to ways of improving coordination and cooperation in science and technology. It had concluded that there could be no progress in economic development unless science and technology were key elements of the decision-making process. It had also stressed that, for the best use of scientific and technological potential, it was necessary to provide expert services and investment. Ukraine was known to have a strong scientific, technological and industrial base. However, many discoveries and advanced technologies originated by Ukrainian scientists had found no practical application owing to the overly centralized system of scientific and economic management.

69. To remedy that situation, Ukraine would have to attempt to reconvert its defence industry to civilian production. That would take considerable investment, which was why it needed the assistance of the international community.

70. With respect to the question of entrepreneurship, he noted that the countries in transition could be integrated into the world economy only on the basis of market economics, one of the key elements of which was the existence of an entrepreneurial class. The enterprise was obviously important to long-term economic growth. Small- and medium-sized enterprises adopted innovative methods more readily, used trained personnel effectively and supplied many goods and services to large enterprises. However, to ensure the effectiveness of programmes in that area, it was necessary to create the political and economic conditions that would encourage their development and orient their activities towards the production sector.

71. Privatization was an essential aspect of reforms introduced in connection with the transition to a market economy. Ukraine already had a legal system suited to the development of enterprises; various laws had been enacted regarding property, privatization and leasing. However, economic instability and the resulting social tension were hindering their full implementation. Those factors slowed the growth of entrepreneurial activity in the production sector. To make any further progress, rapid privatization of the principal sectors of Ukraine's economy was required. That was a very complex process that required careful organizational planning. In that context, the international community might provide technical assistance in evaluating the property to be privatized, as well as the services of specialists.

(Mr. Horin, Ukraine)

72. Ukraine believed that the question of promoting the privatization process, especially in the countries in transition, should receive due consideration in United Nations activities in the economic and social sectors.

73. Mr. MUCHANGA (Zambia) said that everyone was well aware of the potential rewards of bringing the Uruguay Round to a balanced conclusion. However, given the current situation, his delegation, like many others, had begun to wonder anxiously whether the deadline of 15 December 1993 could be met.

74. He noted with interest the Trade and Development Board's call for an improvement in structural adjustment programmes in the developing countries. However, the Board had omitted an element crucial to the viability of those programmes: they must contribute directly to reducing poverty.

75. The basic problem of land-locked developing countries was the lack of access to the sea, together with isolation from world markets. Because of those factors, land-locked countries faced prohibitive transit costs that hindered their socio-economic development.

76. Over the years, various cooperation programmes instituted between land-locked developing countries and transit countries in the context of bilateral and multilateral agreements had eliminated the barriers between them. However, much remained to be done to develop fully both the transit networks connecting land-locked countries to world markets and the human resources needed to manage those networks effectively. The Secretary-General's note on the subject (A/48/487) mentioned specific measures that should be adopted in various priority areas in order to improve the transit systems of land-locked and transit countries. He hoped that the international community would fully support those measures.

77. His delegation welcomed the Secretary-General's report on cooperation between the United Nations and the Southern African Development Community, which urged the international community to continue to support the efforts of the countries of southern Africa to integrate their economies. However, it regretted that the late publication of the report had delayed its consideration.

78. The countries of southern Africa realized that the success of economic integration lay in the effective involvement of their peoples. They were strengthening traditional political ties through a renewed commitment to democracy, a newly established regional assembly and cross-border investments. Cooperation and integration among those countries would continue to grow, and they hoped that the world community would increase its support for the Community's programme of action.

79. Mr. UNNIKRISHNAN (India) said that special measures had to be taken on behalf of the land-locked developing countries to enable them to participate fully in the international trade system. There was, in particular, a need to improve the transit and communications infrastructure and to harmonize rules and procedures. Those problems, requiring an integrated and balanced approach, affected also the transit developing countries. The question of transit was no longer a question of right of access to the sea but of policy coordination and resources. Furthermore, any arrangements made with transit countries had to be

(Mr. Unnikrishnan, India)

on the basis of equality and mutual benefit, and must accommodate their legitimate concerns and interests.

80. His Government had taken various steps to facilitate transit trade with India's neighbours, Bhutan and Nepal, as outlined in document A/48/487, and transit formalities and procedures had also been simplified. His Government also supported the process of regional integration taking place world wide as a means of facilitating trade and growth. Care must be taken, however, to ensure that in the process countries outside the region were not harmed and trade barriers were not set up against them. Steps towards integration should instead be compatible with the rules of multilateral trade. It was also to be expected that when the expansion of economic spaces took place in certain developed markets, the concerns of the developing countries would be kept in view, especially with regard to their access to traditional markets and to the generalized scheme of preferences.

81. His Government also supported a gradual internalization of the costs of environmental protection. The environment should not, however, be used as a justification for restricting trade. Sustainable development required a dynamic international economy and an open, equitable and non-discriminatory system of trade. Rather than restrictions imposed to enforce agreed measures, assistance should be extended to the developing countries, through financial and technological support, to achieve the objectives set by the international community and resolve their specific environmental problems. The use of environmentally safe natural commodities should be encouraged. A comprehensive approach was needed that would recognize that environmental problems were a consequence of the irrational patterns of production and consumption in the developed countries and of the extreme poverty and underdevelopment in the developing countries.

82. More energetic efforts had to be made to bring about a convergence of views in the discussions in the various UNCTAD bodies. It might be useful in that connection for the Trade and Development Board and other UNCTAD bodies to issue "agreed conclusions" at the close of each session as a possible basis for recommendations, agreements and commitments, because a programme-oriented policy was needed.

83. Mr. ERDENECHULUUN (Mongolia) underscored the importance of the meeting of governmental experts from land-locked and transit developing countries along with representatives of donor countries and financial and development institutions, which had been held under the auspices of UNCTAD to propose appropriate concrete action to address the problems of the land-locked developing countries.

84. The meeting was particularly important in that it had brought together for the first time all the main agents whose participation was indispensable in promoting common efforts to deal with the multifaceted problems facing land-locked and transit developing countries. The conclusions and recommendations regarding action to be taken in various priority areas to improve transit systems, agreed upon by the participants, offered a solid basis for future activities. All the agents must now respond appropriately to implement the agreed recommendations. His delegation attached great importance

(Mr. Erdenechuluun, Mongolia)

to the modalities to monitor the implementation of the tripartite conclusions and recommendations.

85. His delegation noted with appreciation the many studies and reports by UNCTAD, various regional commissions and other international organizations on the priority issues facing land-locked and transit countries. In that connection, special mention should be made of the important role the UNCTAD secretariat continued to play in focusing the attention of the international community on those problems.

86. Despite the efforts made at various levels to meet their needs, the economic, social and financial position of those countries continued to deteriorate, as recently noted by the Ministers for Foreign Affairs of the Group of 77, who had recommended a strict application of the specific measures provided for in the relevant resolutions of the United Nations system. It went without saying that the primary responsibility for redressing the situation lay with the land-locked countries themselves, particularly where national capacity-building was concerned. Yet they could not undertake to do so without the constructive cooperation of the transit countries or without increased assistance from the donor countries and financial institutions. The donor community should pay greater attention to management programmes that would make cooperative efforts more effective.

87. As a land-locked country, Mongolia was facing formidable challenges in its transition to a market economy. As part of the overall reform process, measures were currently being taken to open up its economy to the outside world. That had already generated a growing volume of transit trade. Mongolia's access to the sea and the issue of transit transport were governed by agreements with the Russian Federation and China, but his Government was also endeavouring to expand cooperation by developing alternative routes with other countries.

88. Like other land-locked countries, Mongolia suffered from an underdeveloped infrastructure, a poor communications system and a shortage of qualified management personnel. In order to deal with those problems, it was developing its cooperation with the Economic and Social Commission for Asia and the Pacific (ESCAP) and with the Asian Development Bank, which was assisting Mongolia in the airport and telecommunications sectors.

89. It was indispensable for the international community to help improve the situation of the land-locked developing countries. His delegation hoped in that regard that the draft resolution to be adopted on the subject at the current session would take account of the new developments in that area and stipulate specific measures to implement the conclusions and recommendations in the report of the Secretary-General.

ORGANIZATION OF WORK

90. The CHAIRMAN informed the Committee that the General Assembly had decided at its 53rd plenary meeting, at the request of Afghanistan, to defer consideration of agenda item 41 (Emergency international assistance for peace,

(The Chairman)

normalcy and reconstruction of war-stricken Afghanistan) until 24 November 1993. The Committee would therefore have to defer consideration of the question to later date.

The meeting rose at 1.10 p.m.